



American Electric Power
Three James Center
1051 E. Cary Street, Suite 702
Richmond, VA 23219-4029
www.aep.com

March 19, 2003

VIA E-MAIL

Mr. Thomas E. Lamm
Assistant Director
Division of Energy Regulation
State Corporation Commission
1300 East Main Street, 4th Floor
Richmond, Virginia 23218

Re: Working Group on Default Service Requirements

Dear Mr. Lamm:

At the Working Group session on March 4, 2003, an opportunity was extended to provide additional comment on whether the Virginia Electricity Utility Restructuring Act ("At") intends that default service be made available on a retail or a wholesale basis.

Some participants in the Working Group contend that default service may be provided under the Act on a wholesale basis. As reflected in its comments filed in Case No. PUE-2002-00645 on February 7, 2003, Appalachian Power Company, d/b/a American Electric Power ("Company"), reads the Act as providing for default service on retail basis. This is a simple and straightforward reading of the Act, which is intended to established retail competition.

Sincerely,

A handwritten signature in black ink, appearing to read "Barry L. Thomas", with a stylized flourish at the end.

Barry L. Thomas
Director, Regulatory Services – VA/TN

cc: Working Group Attendance List

Mr. Thomas E. Lamm
March 19, 2003
Page 2

bcc: James R. Bacha
Anthony Gambardella